

42.702 Purpose.

(a) Establishing final indirect cost rates under this subpart provides-

- (1) Uniformity of approach with a contractor when more than one contract or agency is involved;
- (2) Economy of administration; and
- (3) Timely settlement under cost-reimbursement contracts.

(b) Establishing billing rates provides a method for interim reimbursement of indirect costs at estimated rates subject to adjustment during contract performance and at the time the final indirect cost rates are established.

Parent topic: [Subpart 42.7 - Indirect Cost Rates](#)